



Klein Leads New Democrats in Letter to Geithner Calls for creation of Hybrid and Electric Car Institute as part of auto industry restructuring

Washington, DC – Today, Congressman Ron Klein (FL-22) led more than a dozen members of the New Democrat Coalition in a letter to Treasury Secretary Timothy Geithner, urging the creation of a Hybrid and Electric Car Institute as part of the restructuring of the American auto industry.

The Hybrid and Electric Car Institute is an innovative solution first proposed by Klein late last year. The Institute would provide a venue for the best scientists and entrepreneurs to work together under one roof to produce the next generation of technology necessary to allow the American auto industry to compete. At a hearing of the House Financial Services committee, Congressman Klein secured a commitment from the CEOs of General Motors, Ford and Chrysler to collaborate across company lines on this essential, cutting-edge research and development.

Today's letter was signed by 18 members of the New Democrat Coalition, a group of moderate, pro-growth Democrats committed to a fiscally responsible and efficient government. The letter urges Geithner to make the creation of the Institute a condition of future taxpayer funding to the auto industry, as the "collaborative effort would save the federal government money."

The full text of the letter follows.

March 12, 2009

The Honorable Timothy Geithner
Secretary of the Treasury
1500 Pennsylvania Avenue NW, Room 3134, Washington, DC 20220

Dear Secretary Geithner,

As you consider the restructuring plans of the major U.S. automakers, we, as members of the New Democrat Coalition, would like to bring to your attention an initiative that we believe could help cut costs and advance the competitiveness of the U.S. automotive industry in the global market. It is clear that the company's restructuring plans will have to consider issues with management, labor and creditors. But the American people will not support throwing tax payer funds at a problem of this scale without a clear and well thought out plan to get American automakers back on their feet.

We believe that part of the company's restructuring obligations must include transferring their existing energy efficiency research and development programs to a newly formed, independent Hybrid and Electric Car Institute. The mission of the institute would be to draw together the smartest, most highly trained engineers and business entrepreneurs who will develop and leapfrog the engine technology of

today's automakers worldwide and focus on speedily deploying the technology of the future. Under this model, the first dollars available from the American taxpayers would be used to capitalize this institute and encourage its success. This collaborative effort would save the federal government money and create great efficiencies.

Once developed, this technology would be made available to U.S. automakers, and they can then adapt it to their product lines. In fact, on December 5, 2008, at a hearing of the House Financial Services Committee, the CEOs of General Motors, Ford and Chrysler committed to the concept of such an institute.

In many areas of the automotive industry, our domestic companies have lacked leadership and foresight, allowing Asian and European companies to become the leaders in many automotive technologies. More fuel efficient and alternative energy vehicles and a restructuring of the American automotive industry are necessary to regain America's competitive edge. Hybrid and/or electric vehicles may be the future of the auto industry, but without American innovation, American car companies will have to rely on foreign technology in order to survive. That is not a recipe for success.

We believe that this initiative is in line with the President's vision, as articulated to Congress on February 24, 2009, when he called for "a re-tooled, re-imagined auto industry that can compete and win." The best and most innovative scientists, engineers and business entrepreneurs in the world are right here in the United States of America. Putting all of their heads together under one roof is a common sense solution which will take advantage of economies of scale and lead to a quantum leap forward in technology and product development.

We thank you in advance for your consideration of our request and look forward to working with you to incorporate this proposal into the plan being considered by the Department of Treasury and the Congress.

Sincerely,

RON KLEIN
DEBORAH HALVORSON
ELLEN TAUSCHER
RON KIND
ADAM SMITH
STEVE ISRAEL
ALLYSON SCHWARTZ
MELISSA BEAN
ELIOT ENGEL
JASON ALTMIRE
DEBBIE WASSERMAN SCHULTZ
DENNIS MOORE
GREGORY MEEKS
ED PERLMUTTER
MICHAEL MCMAHON
CHARLES GONZALEZ
GERRY CONNOLLY
JOHN ADLER